



Office of Revenue Analysis  
Office of the Chief Financial Officer  
Government of the District of Columbia

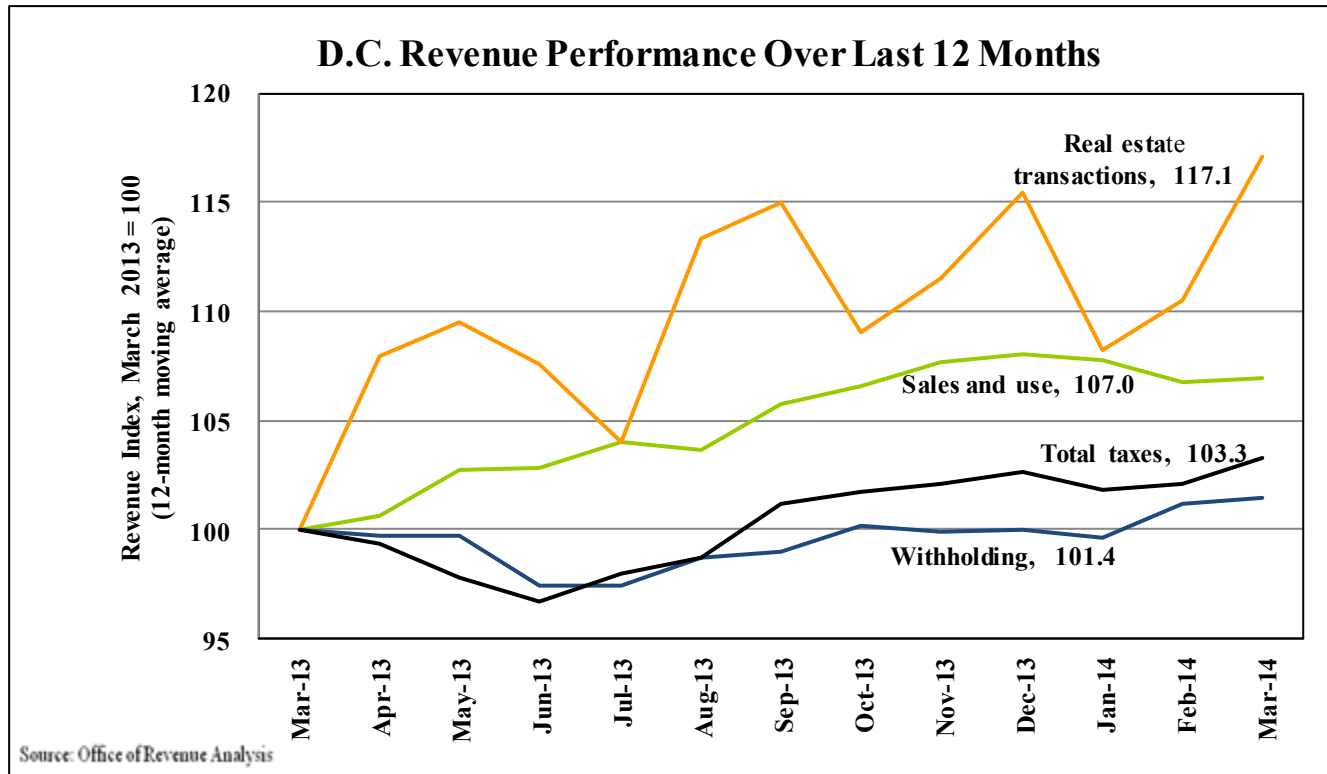
# District of Columbia Cash Collections Report

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## Highlights

- The twelve-month moving average of total tax collections in March 2014 increased 3.3 percent over the same period last year. This growth includes the first half payments for the real property tax, which were due in March. However, the final payments for the individual income tax are due in April. Consequently, the total tax collections growth in March may not necessarily be an indicator of the likely performance of revenue collections for the fiscal year.
- Withholding tax collections for March grew by 1.4 percent over the previous year. Once again the continued growth in the District's population appears to be the main driver of growth in the withholding tax over the last twelve months.
- Sales tax collections for the month of March were 7.0 percent higher compared to the same period last year. Growth in sales tax collections is in line with the overall performance of withholding and population growth. However, its growth appears to have tapered off a bit during the last couple of months, mostly due to the unusual weather patterns in the area since December 2013.
- Real estate transactions tax collections for March grew by about 17.1 percent compared to the same period last year. As illustrated by the graph, although collections in this category fluctuated all through the year, it has maintained its growth since last March.

# Collections by Revenue

## March YTD Tax Collections by Source: FY2014 vs. FY2013 (\$ '000)

	March 2014	March 2013	Percent change
<b>TOTAL TAX COLLECTIONS</b>	<b>2,530,123</b>	<b>2,587,154</b>	<b>-2.2</b>
<b>Property</b>	<b>657,249</b>	<b>718,160</b>	<b>-8.5</b>
Real Property Tax	648,943	708,424	-8.4
Personal Property Tax and Public Space Rental	8,306	9,736	-14.7
<b>Real Property Transactions</b>	<b>186,686</b>	<b>155,453</b>	<b>20.1</b>
Deed Recordation Tax	98,219	85,060	15.5
Deed Transfer Tax	70,000	67,974	3.0
Economic Interest Tax	18,467	2,419	663.5
<b>Sales</b>	<b>590,093</b>	<b>594,992</b>	<b>-0.8</b>
General Sales and Use Tax	543,850	540,892	0.6
Excise Taxes	46,243	54,100	-14.5
<b>Income</b>	<b>915,552</b>	<b>945,443</b>	<b>-3.2</b>
Individual Income Tax	733,502	731,433	0.3
Corporate Franchise Tax	144,694	164,588	-12.1
U.B. Franchise Tax	37,356	49,421	-24.4
<b>Gross Receipts and Estate</b>	<b>180,543</b>	<b>173,105</b>	<b>4.3</b>
Gross Receipts Taxes	164,893	149,109	10.6
Estate Tax	15,649	23,996	-34.8

**Property Taxes.** Real property tax collections, fiscal year to date, are 8.4 percent below the same period last year. This is despite the fact that the first installment of property tax payments were due in March. However, the decline may have more to do with the processing of payments rather than a real decline in expected collections.

**Real Property Transactions Taxes.** March fiscal year to date real property transaction taxes collections were up 20.1 percent over March 2013. Deed recordation tax collections increased by 15.5 percent year to date and collections for the deed transfer tax increased by 3.0 percent. At the same time, economic interest tax collections were up by 663.5 percent relative to March 2013.

**General Sales and Use Tax.** March fiscal year to date general sales and use tax collections were up slightly by 0.6 percent compared to the same period last year, leveling off the growth experienced since last summer. The slow growth in sales tax collections is difficult to interpret at this point as the colder than usual winter this year may have been the main driver, but this trend bears watching

closely as it may be a harbinger of a more general slowdown arising from federal government cut-backs.

**Excise Taxes.** Fiscal year to date excise tax collections through March dropped by 14.5 percent compared to the same period last year, due mostly to much lower cigarette and motor vehicle excise tax collections.

**Income Taxes.** March fiscal year to date individual income tax collections increased slightly by 0.3 percent over the same period last year. The withholding tax portion grew 4.8 percent, while non-withholding decreased by 164.7 percent. The sharp decline in non-withholding is driven largely by higher refunds, but estimated payments were also lower. Both the higher refunds and the lower estimated payments may have been due to income shifting from calendar year 2013 to 2012 in anticipation of higher tax rates as the Bush era tax cuts were set to expire.

March fiscal year to date corporate franchise tax collections decreased by 12.1 percent, compared to that of March of a year earlier, while unincorporated business tax collections decreased by 24.4 percent. Although tax payments for business tax filers were due in March, the decline in collections may have been due to the timing of the processing..

**Gross Receipts Taxes.** Overall, fiscal year to date gross receipts tax collections in March were up by 10.6 percent. Insurance premiums were up by 31.2 percent. Public utilities collections were up by 5.6 percent and toll telecommunications were up by 2.2 percent.

**Non-Tax Revenues.** March fiscal year to date non-tax revenue collections were down by 8.6 percent relative to a year earlier. Collections from automated enforcement show a decrease of 69.4 percent over the same period last year while traffic fines increased 11.7 percent. Collections in "other" fines and forfeitures were down by 12.8 percent relative to the year before. A new policy decision that went into effect at the beginning of the fiscal year reduced the rates charged on certain traffic citations. This may have been one reason for the reduction in fines and forfeiture collections. However, there may also be lags in the reporting of collections.

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